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file*Your Specialty Solution.***FAX**Date: 11/14/03Total number of pages (incl. cover): 3

To: Steve Adler	From: Jack Wilson
Recipient's Fax: (801) 538-7440	Company: Gulf Insurance Group
Company: Office of Attorney General	Sender's Phone: (917) 320-4476
Recipient's Phone:	Sender's Fax: (917) 320-8517
RE:	

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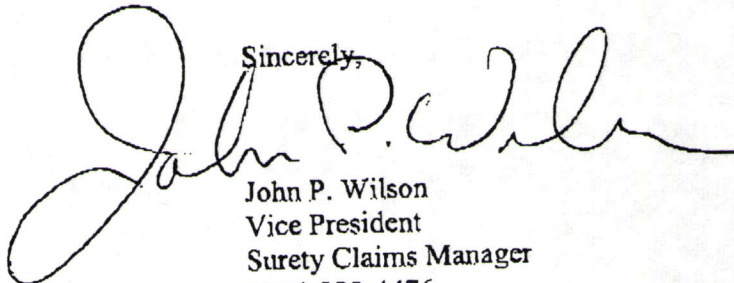
November 14, 2003

Steven F. Alder
Assistant Attorney General
State of Utah
Office of the Attorney General
1594 West North Temple # 300
Salt Lake City, UT 84116

Dear Steve:

Please find a draft copy of a release for the agreed amount of \$ 110,000 that we spoke of on 11-13-03. After review of the document make the necessary changes, if you so desire, and return it signed so that we may process your payment after the 1st of December 2003 as discussed. Feel free to call with any questions you may have related. I hope you enjoy your trip.

Sincerely,

A handwritten signature in black ink, appearing to read 'John P. Wilson'.

John P. Wilson
Vice President
Surety Claims Manager
(917) 320-4476
(917) 320-8517

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RELEASE AND ASSIGNMENT OF CLAIM AND RELEASE OF SURETY BOND

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, on the twenty-sixth day of July, 1990, the GULF INSURANCE COMPANY, a Connecticut corporation (formerly a Missouri corporation), executed, as Surety, Reclamation Bond (NO. _____) in the sum of ONE HUNDRED TEN THOUSAND AND 00/100 (\$110,000.00) DOLLARS on behalf of the Magnesium Corporation of America, as Principal, in favor of the State of Utah Department of Natural Resources Division of Oil and Gas and Mining covering the reclamation of the lands mentioned in the bond.

WHEREAS, the Undersigned has made claim against GULF INSURANCE COMPANY under said bond for the sum of ONE HUNDRED TEN THOUSAND AND 00/100 (\$110,000.00) DOLLARS and does covenant and warrant that the payment of this sum is covered by said bond and is now justly due and owing the Undersigned by said Principal above all credits, off-sets, payments and counter-claims of whatsoever nature or kind.

NOW, THEREFORE, in consideration of the premises and of the payment by GULF INSURANCE COMPANY of the sum of ONE HUNDRED TEN THOUSAND AND 00/100 (\$110,000.00) DOLLARS as full settlement and compromise of said claim the Undersigned hereby releases and forever discharges GULF INSURANCE COMPANY, its successors and assigns, agents and other representatives, from any and all claims and demands of whatsoever nature or kind, arising out of the alleged default(s) of said Principal under said bond, at law or in equity, from the beginning of time until the day and date hereof and does hereby sell, assign, transfer and set over unto GULF INSURANCE COMPANY all rights, title and interest in and to said claim and all sums of money due and payable thereon and does give and grant to it full power and authority to demand and receive the same for its use, and upon receipt thereof, to give discharge of the same or any party thereof. FURTHERMORE, the Undersigned hereby releases and forever discharges GULF INSURANCE COMPANY, its successors and assigns, agents and other representatives, from all obligations, past, present, and future, whatsoever under said bond and the Undersigned herewith returns the original of said bond to GULF INSURANCE COMPANY for cancellation in additional affirmation of its relinquishment of any and all further interest of any kind on its part in said bond.

Signed, sealed, and dated this _____ day of _____,

20 _____, at _____, Utah

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining

By: _____ (Seal)

(Please type or print name and title below.)

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